

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : (a) No, Sir.

(b) Does not arise.

#### Closure of cashew factories in Kerala

1506. SHRI A. K. GOPALAN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware that all the 25 factories of the Kerala State Cashew Development Corporation and 150 Private Cashew factories have been closed since last December and as a result of this 1,50,000 cashew workers have been thrown out of employment; and

(b) if so, what steps have been taken by Government to give relief to the workers and for reopening the factories ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) and (b) Cashew processing industry in India is a seasonal one depending upon supplies of indigenous cashewnuts during May—September and on imported cashewnuts during the remaining part of the year. Availability of raw cashewnuts from indigenous production as also from imports being short of the requirements of the industry for year round working of the units at full capacity, cashew factories have to remain closed for a few months in the year. This is a normal feature of this industry.

Sustained efforts are being made to import as much quantity of rawnuts as available from traditional and new overseas sources. Closed factories will be reopened in March 1974 by which time 53,218 tonnes of imported nuts are expected to be available for allotment to eligible factories.

Further, both Government of India and State Governments concerned have formulated long term and short range schemes to increase the local production of raw nuts.

#### Statement made by Chairman of Kerala Rural Development Board Re : Credit Squeeze Policy of Reserve Bank of India

1507. SHRI A. K. GOPALAN : Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the statement made by the Chairman of the Kerala Rural Development Board that the Reserve Bank of India's credit squeeze policy would hit hard the remunerative development scheme of the Board and the Panchayats in Kerala ;

(b) if so, the reaction of Government thereto; and

(c) whether Government have given permission to the Kerala Rural Development Board to issue debentures for Rs. 150 lakhs on the strength of the State Government's recommendations ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) Yes, Sir.

(b) and (c) The main point urged in the note of the Chairman of the Kerala Rural Development Board, forwarded recently with the Kerala Chief Minister's letter to the Union Finance Minister, was that early clearance should be given for the proposal of the Kerala Rural Development Board to float debentures during the current financial year. The Reserve Bank of India has reported that it could not agree to the proposal in view of the liquidity position in the banking structure not being adequate to absorb additional market borrowings at present.

#### Effect of Credit Squeeze Imposed by R.B.I. on Handloom Industry in Kerala

1508. SHRI M. K. KRISHNAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the recent credit squeeze imposed by the